App. F.-IX-4

*Previous References*

1934.
(G.7.)

File No. 425-34
Serial Nos. 1-4

P 13E

*Letter References.*

PRESERVED

Reserve

# GENERAL AND REVENUE SECRETARIAT.

*Serial Nos.* Four

**Part B for** Cets 5

**SUBJECT.**

Mysore Railway Sterling Debenture Stock

Guaranteed interest on the Railway Sterling loan of £ 1,200,000 |- .

WD 03607—GPB—22,500—2-8-35

G.7-425-34-1

No. 1/88

U.O.No.1279/Books dated 12th February 1935.

Guaranteed Interest on the Railway
Sterling Loan of £1,200,000/-

14 FEB. 1935
3642
GENL & REV. SECTT.

On the 1st of April and October each year, we have been paying to the India Office, a sum of £24,000/- towards the half yearly interest on the above loan. The India Office as far as I am aware has not been furnishing us with any information as to the amount of undisbursed interest and its disposal. Now that the question of repayment of this loan on 1st April 1936 is almost decided, a detailed account of these amounts and their disposal is quite necessary.

2. I have a faint recollection that this question was taken up somewhere between 1913 and 1917 by Rajakaryaprasaktha Sir M. N. Krishna Rao when he was Deputy Comptroller, Public Works and Railways and that the Madras and Southern Mahratta Co., having then given a vague reply, the question was allowed to lie over. I am not aware whether this question was again raised at any time later and decided. I requested the Auditor Mysore Railways, on 16th January 1935 to trace and send me the papers if any available on the subject but he replies that, in spite of best efforts, no papers bearing on the question are forthcoming. He however, suggests that the Railway Secretariat may be able to produce some records in this connection.

Transferred to Railway Secretariat for kindly putting up the relevant papers in the Railway Secretariat and for favour of remarks

18.2.35

3. As the matter is one of considerable importance I request that Government may kindly take up the question with the Government of India and arrange to get a refund of the amount if any left undisbursed in the hands of the Secretary of State or the Company.

Comptroller.

RAILWAY SECRETARIAT
18 FEB. 1935
GOVERNMENT OF MYSORE.

The Financial Secretary
to the Govt. of Mysore,
Bangalore.

Serial No.

P. V. I

4. D. O. no: 1279/books dy 12-2-35 from the Comptroller of Mysore reg: Guaranteed interest on the Railway Sterling loan of £ 1,200,000.

5. The Comptroller of Mysore brings to notice that a sum of £ 24,000 towards half yearly interest on the above loan, is being paid to the India office on 1st of April and October each year, and requests that arrangements may be made to get a refund of the amount, if any, left undisbursed in the hands of the Secretary of State or the Company.

do

6. From clause 13 of the Supplemental Contract of 1908, it will be seen, that the undisbursed interest of 4%, guaranteed by the Secretary of State under

B



WD 1331—GBPM—2,500—9-3-34.

Cl

Serial No.

V

under clause 36 of the original Contract of 1887, is to be repaid by the Company to the Secretary of State and it seems, therefore, but reasonable that the amount thus left, should properly be accounted for.

P. W.D

7. The Comptroller's view seems, therefore, reasonable and perhaps ~~a reference may be made~~ as opening to what has been done with such undisbursed amounts and also ~~requesting~~ for a detailed account thereof, in Consultation with the General Secy. to Govt. (Law Section) if necessary.

8. The question of the refund of the amount referred to by the Comptroller, does not seem to have been raised at any time before and besides there are no papers in this office on the Subject.



WD 1331—GBPM—2,500—9-3-34.

Ry. F 4]

Railway Secretariat.

File No. 3642/34 of 193

4

Serial No.

10. Papers relating to the Supplemental Contract are also herewith submitted and this may be referred to the Financial Secy, to Govt. with reference to the financial Secty's note of 18-2-1935.

P. U D

Subd:
SB. 4/3 H. 4/3

Jt (Secy wc) 5/3/35

U.O. 292
5.3.35

FINANCIAL SECRETARIAT
U.O.N.
7. MAR. 1935

11 May perhaps be referred to the Law section for favour of remarks.

7-4-35 asst Secy, Law with compliments. SB 10/4/35

5864/P of 34

Law

12 There seems no provision in the agreement to furnish the information re: details of undisbursed interest and its disposal. But however the Comptroller's proposal to obtain such information seems to be reasonable

TSD 13/4

13 Our Govt is certainly entitled

~~to the said interest~~

NOTE—Contn. Sheet.

WD 1331—GBPM—2,500—9-3-34.

Ry. F 4]

5-884

Railway Secretariat. | File No. | of 193

5

Serial No.

A

~~interest~~ to get information regarding the undisbursed interest, if any, ~~whether~~ in its disposal. The question ~~of~~ in case there is such interest remaining undisposed of, we are not entitled to its credit is one which may have to be considered more fully later on.

Yours sincerely)

Yr Secy.

mc 1/5/35

14 17m 10/5

mc 11/5

15 To Comptroller, with compliments, for favour of obtaining information referred to at "A" above, in the first instance.

By order,

M Shamanna

for Financial Secretary

GENERAL SECRETARIAT
2 MAY 1935

11 MAY 1935

W.O.Yl.277.J
14/5/35

883 | 5[illegible]
Bal & Rpt[illegible] 12-5-35

NOTE—Contn. Sheet.

WD 1331—GBPM—2,500—9-3-34.

Ry. F 4]

Railway Secretariat. File No. of 193

b

Serial No.

2.0.680/34
21-5-35

FINANCIAL SECRETARY
2 1 MAY
No.

16 Returned with compliments

17 The information required to be furnished will not be available any where in India since the Guaranteed Interest paid is not a part of the working expenses of the Railways.

18 Clause 13 of the Indenture dated 26th June 1908 placed in the file makes it very ~~el~~ clear that the refunded unpaid interest is with the Secretary of State and that the details of such amounts can be had only from the particulars of payment in the -- " Madras and Southern Maharatta Railway debentures account which is maintained by the Company in a Bank in London.

19 On the whole it would appear to be advantageous to address the Government of India through the Residency in the matter, and get details and if necessary request the Secretary of State to make over the unpaid amounts to us, the liability for the unpaid interests being taken over by us for payment through Messrs Coutts & Co. when demanded by the parties entitled to receive the same.

FINANCIAL BRANCH
24 MAY 1935

Comptroller.

B/17/5

NOTE—Contn. Sheet.

WD 1331—GBPM—2,500—9-3-34.

20 In connection with the Railway sterling loan of £ 1,200,000 raised by the Southern Mahratta Railway Company in the year 1886, with the guarantee of the Secretary of State, on behalf of the Mysore Governmer we are paying to the India office, London, on the 1st of April and October each year a sum of £ 24,000 (interest at 4% per annum) towards half yearly inter has been paying

21 The Secretary of State ~~pays~~ this amount to the Company in London as a fund to meet and provide for th payment of interest to the persons entitled thereto (Debenture holders) and clause 13 of the supplementary contract dated 26th June 1908 between the Secretary of State and the M & S M Railway company lays down tha "in any case in which any money paid by the Secretary of State to the company for meeting the interest on or discharging the principal of, debentures or debentur stock shall not within 12 calendar months have been claimed by the persons ~~or persons~~ entitled thereto, the said money shall be repaid by the Company to the Secretary of State, and he will indemnify the company against all liability in respect of the unclaimed principal or interest, and his capital shall be increased by the amount of any principal subsequently discharge by him under this proviso."

22 We do not know whether there are any undisbursed amounts of interest ~~bbbbbbbbb~~ out of the lump sum payments made by us half yearly. If there are any undisbursed amounts, we have got a reasonable claim on them.

23 The point for consideration is how to get definite information on this point and who should be addressed

B

E—Contn. Sheet.

in the matter. The Comptroller thinks that this information will not be available any where in India, since the Guaranteed interest paid is not a part of the working expenses of the Railways. He suggests that it would ~~appear to~~ be advantageous to address the Government of India through the Residency in the matter and get details and if necessary request the Secretary of State to make over the unapid amounts to us, the liability for the unpaid interests being taken over by us for payment through Messrs Coutts & Co., when demanded by the parties entitled to receive the same. This suggestion is for consideration.

24 It would perhaps be better if the Agent, Mysore Railways, is asked to address the Agent, Madras and Southern Mahratta Railway Company and get details of undisbursed amounts of interest, how they have been accounted for etc. If we do not get the required ~~examina~~ information, we may then consider the desirability of addressing the Government of India through the Residency.

2-6-35

H Seey) E 4161/35.

We may I think ask the Govt of India, in view to reference to Clause 13, to kindly furnish us with a Statement showing the half-yearly interest Advanced to the Company, ~~what~~ which remained undisbursed and which was accordingly refunded to the Secy of State by the Company.

After getting this information we may consider the question of asking the Secy of State to refund it to us. A draft to the Govt may be put up.

14/6

:642

General and Revenue Secretariat. G.7 File No. 425 of 1934 [App. F. III-2

Draft letter to the Residency is submitted for consideration.

ZKW
12-6-35

Dawan) The draft letter is for approval
13/6

Jm
14-6-35

Done
IW
15/6

No. Pol 1335 dated 17-6-35 to the Secretary to the Resident.

Sus. for 2 months
ZIW
21-6-35
47

* May be kept in "Sus" for one month more.

29-8-35

H Seey) 30/8/35

Sus for 1 month
ZIW
30-8-35
69

Yes
30/8/35
30/8/35

NOTE—Contn. Sheet.

C.7 425-34-2

Pol. 1335 & 17-6-35

To

The Secretary to the Hon'ble the
Resident in Mysore,
Bangalore.

Mysore Railway sterling Debenture stock.

Sir,

I am directed to invite kind reference to clause 13 of the contract dated 26th June 1908 between the Secretary of State in Council of India and the Madras and Southern Mahratta Railway company, relating to the repayment of, and payment of interest on, - Debentures raised by the M & S M Railway - company. This clause lays down that the Secretary of State will, as ~~soon~~ often as the half-yearly or other interest payable in respect of these debentures shall become due, pay out of the revenues ~~of~~ India to the Company in London in sterling the aggregate amount of such interest as a fund to meet and provide for the payment of such interest to the persons respectively entitled thereto, and the moneys so to be paid to the Company shall forthwith be paid by them into some Bank to be agreed upon to an account to be called "The Madras and Southern Mahratta Railway debenture accounts", and that in any case in which any money paid by the Secretary of State to the Company for meeting the interest on, or discharging the principal of, debentures or debenture stock shall not within 12 calendar months have been claimed by the persons entitled thereto, the said money shall be ~~paid~~ repaid by the Company to the Secretary of State. With regard to the Railway sterling

debenture loan of £1,200,000 raised by the Southern Mahratta Railway Company with the guarantee of the Secretary of State, on behalf of the Mysore Government, the latter are paying to the India office, London, on the 1st of April and October each year, a sum of £ 24,000 towards half yearly interest. I am to request you to be so good as to kindly obtain and furnish the Mysore Government ~~this office~~ with a statement showing the half yearly interest advanced to the Company which remained undisbursed and which was accordingly refunded to the Secretary of State by the Company, from time to time. and which remains undisbursed now.

I have etc.,

13/6.

12th June 1935. Financial Secretary

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Camp Mysore
Dated Bangalore, 16th June 193 5.

No. Pol 1335 17"

*From*

S.Shamanna, Esq., B.A.
*Financial Secretary to the Government of His Highness the Maharaja of Mysore.*

*To*

The Secretary to the Hon'ble the Resident in Mysore.

Mysore Railway Sterling Debenture Stock.

*Sir,*

I am directed to invite kind reference to clause 13 of the contract dated 26th June 1908 between the Secretary of State in Council of India and the Madras and Southern Mahratta Railway Company, relating to the repayment of, and payment of interest on, Debentures raised by the Madras and Southern Mahratta Railway Company. This clause lays down that the Secretary of State will as often as the half-yearly or other interest payable in respect of these debentures shall become due, pay out of the revenues of India to the Company in London in sterling the aggregate amount of such interest as a fund to meet and provide for the payment of such interest to the persons respectively entitled thereto, and the moneys so to be paid to the Company shall forthwith be paid by them into some Bank to be agreed upon to an account to be called "The Madras and Southern Mahratta Railway Debenture Account" and that in any case in which any money paid by the Secretary of State to the Company for meeting the interest on, or discharging the principal of, debentures or debenture stock shall not within 12 calendar months have been claimed by the persons entitled thereto, the said money shall be repaid by the Company to the Secretary of State. With regard to the Railway sterling debenture loan of £ 1,200,000 raised by the Southern Mahratta Railway Company with the guarantee of the Secretary of State, on behalf of the Mysore Government, the latter are paying to the India Office London, on the 1st of April and October each year, a sum of

24,000 towards half-yearly interest. I am to request you to be so good as to kindly obtain and furnish the Mysore Government with a statement showing the half yearly interest advanced to the Company which remained undisbursed and which was accordingly refunded to the Secretary of State by the Company, from time to time and which remains undisbursed now

I have the honour to be,
Sir,
Your most obedient servant,

16/6.

Secretary to Government,
Financial Department.

hks.2

G.7425-34-3 Pol.489

All Communications should be addressed to the Secretary to the Resident in Mysore, Bangalore, by designation and not by name.

No. F.324-35 Cur
R.O.II

D... OFFICE
14 OCT. 1935
No. Q.2384

FINANCIAL BR... OCH.
11 OCT. 1935
1553

FROM

Major C.G.N. Edwards, I.A.,
SECRETARY TO THE HON'BLE THE RESIDENT IN MYSORE.

Fin. Br.
9/10/10

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Financial Department.

For perusal.
H. Secy) 11.10.35.

*Dated, Bangalore, the* 9th October *193*5.

Dewan) Comptr & Rly Supdt will be intimated 13/10

Subject.

MYSORE RAILWAY STERLING DEBENTURE STOCK.

SIR,

Fin.
14-10-35. 1570

17.10.35.

With refrence to your letter No.Pol.1335/Fl., dated the 17th June 1935, I am directed to say that the Government of India have informed this Residency that it has been ascertained from the Madras and Southern Mahratta Railway Company that there are no outstanding dividends on the £1,200,000 debenture loan raised on behalf of the Mysore Government prior to that paid on the 1st October 1934.

Dospr

Copy forwarded with compliments to (1) the Railway Secretary (2) the Comptroller, for information.

G.7425-34-4
H 3204-5
9 22/10/35

18/10/35
For Secy

I have the honour to be,
Sir,
Your most obedient servant,

for SECRETARY TO THE RESIDENT.

18 OCT 1935 SECTT.

17-10-35

Dsave
W
17/10

30-10-35

KRS.

C.F 42534-4

Letter No.F.324-35/R.O.II dated 9th October 1935 from the Secretary to the Hon'ble the Resident in Mysore to the Secretary to the Government of His Highness the Maharaja of Mysore, Financial Department.

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Subject:- Mysore Railway Sterling Debenture Stock

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With reference to your letter No.Pol.1335/Fl. dated the 17th June 1935, I am directed to say that the Government of India have informed this Residency that it has been ascertained from the Madras and Southern Mahratta Railway Company that there are no outstanding dividends on the £1,200,000 debenture loan raised on behalf of the Mysore Government prior to that paid on the 1st October 1934.

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Government of His Highness the Maharaja of Mysore
General and Revenue Secretariat.

Memo No. Fl 32045 Dated Bangalore, the 21st October 1935.

Copy of the above is forwarded with compliments to the Comptroller & Railway Secretary, for information

By order,

M Shamanna

for Financial Secretary to Government.

2

B.K.M.3.